76. Did the society take that money into consideration when they arrived at the profits for the tontine period?—Undoubtedly

77 They have arranged their profits in consideration of the increased amount that will be paid by these assured?—That is so.

78. Then there has been a distinct loss on the tontine?—Yes.

79. *Mr. Allen.*] What would have been the profit that Mr. Larsen would have received if he had remained under the old policy and paid £19 a year?—That is quite impossible for me to answer I could not tell you what the profits would have been.

80. It is quite possible to calculate, is it not?—No.

81 Let me put it in this way What would be the bonuses that Mr Larsen would have been entitled to if he had remained under the old policy?—I could not tell you, but I can say that the bonus would have been less. The amount of the tontine bonus is more than the ordinary I think, however, I can give you what you want. I have told you how the profits under the tontine, amounting to £15 17s., were calculated. If it had been an ordinary policy the profits would have been £10 14s., but, seeing that it was a tontine policy, the profits were £15 17s., the additional amount being due to profits arising from death and lapses.

82. I want to find out how the £104 that was offered to Mr Larsen was made up?——

83. *The Chairman*] I suppose it would be the surrender value plus the £15 profits?—Exactly That amount of £104 is made up of the cash surrender value of the policy and the cash profits.

84. *Mr Massey*] The indorsement on the back of the proposal reads, 'It is thoroughly understood by me that the amount to be assured mentioned in this proposal is *not* payable at the expiration of the tontine period, and is only payable at my death." Do you not think that even in that form it is somewhat misleading, inasmuch as it is likely to leave the impression that the amount assured will be paid at the death of the person even if the death does not occur during the tontine period?—No, I do not think that impression could be given

85. Do you not think it would have been very much better if something of this sort had been added after the word 'death : If it occurs during the tontine period"?—The premiums are payable until death, consequently the amount of the policy must be payable at death whenever it may occur

86 Only within the tontine period?—Not at all. The premiums under the policy are payable until the man dies.

87 *The Chairman*] Is he paying still?—No; they are being advanced out of the surrender value of the policy

88. *Mr Massey*] Then he is still assured?—Yes.

89 If Mr Larsen continues to pay his premiums he will still be insured right up to the time of his death?—Yes, and his policy in the future will participate under the ordinary system of bonuses.

90. *Mr Allen.*] Will you explain the difference between cash value" and "cash surrender value"?—There is no difference.

91. *Mr Hogan.*] Would a person insured in the office and holding a paid-up policy have to pay any premium?—Naturally not.

92. In clause 2 of this leaflet circulated at the time and given to Mr Larsen it is stated that the person who insured for £2,000 would have at the end of ten years a paid-up policy for £2,600 Would not Mr. Larsen be justified in assuming that if he paid up for fifteen years, at the end of this time he would have a paid-up policy, and would not have to pay any further premiums?—Possibly, but, as I pointed out before, the two policies are not alike

93 But this was given as a sample of the kind of policy that your agent induced Mr Larsen to take up?—Pardon me, he did not take that particular form of policy

94. It is given as an example of a tontine policy, the same as Mr Larsen took up?—It is not exactly the same.

95. If this were placed before Mr Larsen he would be right, you think, in assuming from clause 2 that he would have a paid-up policy at the end of the period?—If he held a similar policy to that, yes.

96. Now, has Mr Larsen signed that indorsement that you speak of?——

Mr Massey The signature is there all right.

97 *Mr Hogan.*] Has your office at any time paid a tontine-policy holder more than you originally offered him, as a result of his refusal to accept the first offered sum, and as a result of agitation on his part?—It has not, so far as I am aware, and I have been with the society in New Zealand nearly twenty-five years, with the exception of four years.

98. You will not say definitely that your office in New Zealand has not done so?—So far as I know, I say No, such a thing has never been done.

99 Will you then deny that your office has paid a tontine-policy holder more than it originally offered him, because he made a fuss about it?—I could scarcely deny it, because I have been away for four years, but I assure you I have never heard of such a thing being done.

100. Would you be surprised if I brought evidence before the Committee to show that your office has done so?—I should be very much surprised.

101 Has your office not advised Mr and Mrs. Larsen of the accumulation of a bonus of £25, recently?—Yes.

102. Would that be under the new system?—Yes, they are now on the ordinary system.